

**EISNER&AMPER**

**LOUISIANA MUSEUM FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**



# **LOUISIANA MUSEUM FOUNDATION**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Louisiana Museum Foundation  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Louisiana Museum Foundation (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Schedule of Compensation, Benefits, and Other Payments to or on behalf of the Agency Head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
December 20, 2024

EISNERAMPER  
LLP



**LOUISIANA MUSEUM FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2024 AND 2023**

<b><u>ASSETS</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Cash and cash equivalents	\$ 2,410,828	\$ 1,677,387
Investments	3,096,687	2,841,534
Unconditional promises to give	62,500	136,250
Prepaid expenses and other assets	1,294	1,294
Furniture and office equipment, net	11,869	15,301
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 5,583,178</u></b>	<b><u>\$ 4,671,766</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable and accrued liabilities	\$ 179,270	\$ 197,690
<b><u>TOTAL LIABILITIES</u></b>	<b><u>179,270</u></b>	<b><u>197,690</u></b>
Net assets without donor restrictions		
Undesignated	709,232	691,892
Designated for endowment purposes	770,355	700,642
Designated for reserve purposes	240,791	240,791
Designated for records retention project	111,219	111,219
Total net assets without donor restrictions	1,831,597	1,744,544
Net assets with donor restrictions	3,572,311	2,729,532
<b><u>TOTAL NET ASSETS</u></b>	<b><u>5,403,908</u></b>	<b><u>4,474,076</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 5,583,178</u></b>	<b><u>\$ 4,671,766</u></b>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUSEUM FOUNDATION**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>REVENUES</u></b>			
Contributions and grants	\$ -	\$ 1,935,136	\$ 1,935,136
Gala	435,146	-	435,146
Facility use contributions	-	305,847	305,847
Program management fees	101,081	-	101,081
Memberships	84,675	-	84,675
Concession income	9,379	-	9,379
Investment income, net	94,492	215,632	310,124
Other income	74,817	-	74,817
	<u>799,590</u>	<u>2,456,615</u>	<u>3,256,205</u>
<b>Net assets released from restrictions</b>	<u>1,613,836</u>	<u>(1,613,836)</u>	<u>-</u>
<b>Total revenues and support</b>	<u>2,413,426</u>	<u>842,779</u>	<u>3,256,205</u>
<b><u>EXPENSES</u></b>			
Program services	2,242,462	-	2,242,462
General and administrative	67,754	-	67,754
Fundraising	16,157	-	16,157
<b>Total expenses</b>	<u>2,326,373</u>	<u>-</u>	<u>2,326,373</u>
<b>Change in net assets</b>	<u>87,053</u>	<u>842,779</u>	<u>929,832</u>
<b>Net assets, beginning of year</b>	<u>1,744,544</u>	<u>2,729,532</u>	<u>4,474,076</u>
<b>Net assets, end of year</b>	<u>\$ 1,831,597</u>	<u>\$ 3,572,311</u>	<u>\$ 5,403,908</u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA MUSEUM FOUNDATION****STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Contributions and grants	\$ -	\$ 891,516	\$ 891,516
Gala	464,467	-	464,467
Facility use contributions	-	220,605	220,605
Program management fees	74,340	-	74,340
Memberships	107,180	-	107,180
Concession income	28,678	-	28,678
Investment income, net	50,018	98,270	148,288
Other income	79,822	-	79,822
	<u>804,505</u>	<u>1,210,391</u>	<u>2,014,896</u>
<b>Net assets released from restrictions</b>	<u>1,506,439</u>	<u>(1,506,439)</u>	<u>-</u>
<b>Total revenues and support</b>	<u>2,310,944</u>	<u>(296,048)</u>	<u>2,014,896</u>
<b>EXPENSES</b>			
Program services	2,089,044	-	2,089,044
General and administrative	74,680	-	74,680
Fundraising	15,380	-	15,380
<b>Total expenses</b>	<u>2,179,104</u>	<u>-</u>	<u>2,179,104</u>
<b>Change in net assets</b>	<u>131,840</u>	<u>(296,048)</u>	<u>(164,208)</u>
<b>Net assets, beginning of year</b>	<u>1,612,704</u>	<u>3,025,580</u>	<u>4,638,284</u>
<b>Net assets, end of year</b>	<u>\$ 1,744,544</u>	<u>\$ 2,729,532</u>	<u>\$ 4,474,076</u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA MUSEUM FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Grants and other assistance to the Louisiana State Museum	\$ 1,673,531	\$ -	\$ -	\$ 1,673,531
Salaries, benefits, and payroll taxes	182,017	38,846	16,157	237,020
Education programming / public outreach	204,124	-	-	204,124
Other program support	55,938	-	-	55,938
Accounting	73,483	18,371	-	91,854
Office expenses	7,963	1,731	-	9,694
Occupancy	10,176	-	-	10,176
Information technology	25,211	6,303	-	31,514
Payroll services	3,754	938	-	4,692
Depreciation	2,746	686	-	3,432
Insurance	3,049	762	-	3,811
Conferences, conventions, and meetings	461	115	-	576
Interest	9	2	-	11
	<u>\$ 2,242,462</u>	<u>\$ 67,754</u>	<u>\$ 16,157</u>	<u>\$ 2,326,373</u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA MUSEUM FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
Grants and other assistance to the Louisiana State Museum	\$ 1,587,438	\$ -	\$ -	\$ 1,587,438
Salaries, benefits, and payroll taxes	248,130	56,790	15,380	320,300
Education programming / public outreach	125,083	-	-	125,083
Other program support	54,681	-	-	54,681
Accounting	37,672	9,418	-	47,090
Office expenses	10,612	2,307	-	12,919
Occupancy	9,182	-	-	9,182
Information technology	6,503	1,626	-	8,129
Payroll services	3,754	938	-	4,692
Depreciation	2,598	650	-	3,248
Insurance	2,170	543	-	2,713
Loss on disposal of furniture and office equipment	-	2,103	-	2,103
Conferences, conventions, and meetings	1,183	296	-	1,479
Interest	38	9	-	47
	<u>\$ 2,089,044</u>	<u>\$ 74,680</u>	<u>\$ 15,380</u>	<u>\$ 2,179,104</u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA MUSEUM FOUNDATION**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 929,832	\$ (164,208)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,432	3,248
Realized and unrealized gains on investments	(298,860)	(66,703)
Loss on disposal of furniture and office equipment	-	2,103
Decrease in unconditional promises to give	73,750	1,750
Decrease in prepaid expenses and other assets	-	5,180
(Decrease) increase in accounts payable and accrued liabilities	(18,420)	98,617
	<u>689,734</u>	<u>(120,013)</u>
Net cash provided by (used in) operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	-	(487,301)
Proceeds from sales of investments	43,707	303,787
Purchases of furniture and office equipment	-	(2,766)
	<u>43,707</u>	<u>(186,280)</u>
Net cash provided by (used in) investing activities		
<b>Net increase (decrease) in cash and cash equivalents</b>	733,441	(306,293)
Cash and cash equivalents, beginning of year	<u>1,677,387</u>	<u>1,983,680</u>
Cash and cash equivalents, end of year	<u>\$ 2,410,828</u>	<u>\$ 1,677,387</u>

The accompanying notes are an integral part of these financial statements.

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **1. Nature of Organization and Summary of Significant Accounting Policies**

##### Organization and Income Tax

The Louisiana Museum Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Louisiana to provide services and support for the Louisiana State Museum (the Museum), through funds, grants and contracts administration, promotional activities, fundraising programs and events, and management assistance. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

##### Financial Statement Presentation and Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and accordingly, reflect all significant receivables, payables, and liabilities. U.S. GAAP requires the Foundation to report financial information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

##### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

##### Cash and Cash Equivalents

The Foundation considers all highly liquid investments (including assets with donor restrictions) with an original maturity of three months or less to be cash equivalents.

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **1. Nature of Organization and Summary of Significant Accounting Policies (continued)**

##### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets. Gains, losses, and investment income are accounted for as with or without donor restrictions based on restrictions, if any, imposed by donors.

The Foundation records donated securities at their fair market value at the date of donation. Investments are shown in the financial statements at approximate current fair market value. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

##### Promises to Give

Contributions are recognized as assets and revenues when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2024 and 2023, management believes that all promises to give are fully collectible.

##### Furniture and Office Equipment

Furniture and office equipment of the Foundation are recorded at cost and depreciated over the estimated useful life using the straight-line method. Additions, improvements, and expenditures greater than \$500 that significantly extend the useful life or increase the value are capitalized. Estimated useful life of furniture and office equipment is five to seven years, except computer equipment which is three to five years.

##### Compensated Absences

The Foundation has a compensated absences policy. Employees of the Foundation are entitled to paid vacation and paid sick days, depending on job classification, length of service, and other factors. The Foundation estimates the amount of compensation for future absences, and, accordingly, a liability has been recorded in the accompanying financial statements. The Foundation's policy is to recognize the costs of vested compensated absences when earned.

##### Revenue Recognition

Contributions are recorded as support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contribution and membership revenue is recognized upon receipt. Revenues are recognized when performance obligations of the underlying arrangements are met. For grant revenues, this is generally when the requirements of the grant are fulfilled. Gala and program management fee revenues are recognized when the services are provided.

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### 1. Nature of Organization and Summary of Significant Accounting Policies (continued)

##### Adoption of New Accounting Standard

On July 1, 2023, the Foundation adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13: Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which significantly changed how entities measure credit losses for most assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that are subject to the guidance in FASB ASU 2016-13 are accounts receivables. Adoption of this standard did not have a material effect on the Foundation's financial statements for the year ended June 30, 2024.

#### 2. Liquidity and Availability

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The table below presents financial assets available for general expenditures within one year at June 30:

	<u>2024</u>	<u>2023</u>
Total assets	\$ 5,583,178	\$ 4,671,766
Less: non-current and non-financial assets		
Prepaid expenses and other assets	(1,294)	(1,294)
Unconditional promises to give due in more than one year	(31,250)	(62,500)
Furniture and office equipment, net	<u>(11,869)</u>	<u>(15,301)</u>
Total current financial assets at year end	5,538,765	4,592,671
Less: financial asset designations and restrictions		
Designated for endowment purposes*	(770,355)	(700,642)
Designated for reserve purposes*	(240,791)	(240,791)
Designated for records retention project*	(111,219)	(111,219)
Net assets with donor restrictions	<u>(3,572,311)</u>	<u>(2,729,532)</u>
Financial assets available for general expenditures over the next 12 months	<u>\$ 844,089</u>	<u>\$ 810,487</u>

\* The Foundation's governing board has designated a portion of its resources to function as endowment and for other purposes. Those amounts are identified as designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. These funds were designated by a majority vote of the Foundation's governing board and can be undesignated by a majority vote.

#### 3. Promises to Give

Promises to give represent a promise by the donors to pay after the year end. Promises to give were due in the following installments at June 30, 2024:

2025	\$ 31,250
2026	31,250
Total	<u>\$ 62,500</u>

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **4. Furniture and Office Equipment**

Furniture and office equipment are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and office equipment, cost	\$ 76,282	\$ 76,282
Less: accumulated depreciation	(64,413)	(60,981)
Furniture and office equipment, net	<u>\$ 11,869</u>	<u>\$ 15,301</u>

#### **5. Fair Value Measurements**

The Foundation follows the provisions of the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification. Accordingly, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Foundation's measurements of fair value are made on a recurring basis, and their valuation techniques for assets recorded at fair value are as follows:

Mutual funds – The fair value of mutual funds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **5. Fair Value Measurements (continued)**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Exchange Traded	\$ 1,396,450	\$ -	\$ -	\$ 1,396,450
Equities	1,553,897	-	-	1,553,897
Other	146,340	-	-	146,340
<b>Total</b>	<b>\$ 3,096,687</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,096,687</b>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bonds	\$ 821,115	\$ -	\$ -	\$ 821,115
Equities	1,744,650	-	-	1,744,650
Other	275,769	-	-	275,769
<b>Total</b>	<b>\$ 2,841,534</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,841,534</b>

At June 30, 2024 and 2023 there were no assets measured at fair value on a non-recurring basis.

#### **6. Net Assets with Donor Restrictions**

Changes in net assets with donor restrictions during the year ended June 30, 2024 were as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Balance</u> <u>June 30, 2024</u>
Museum Endowment Fund	\$ 2,101,926	\$ 215,632	\$ -	\$ 2,317,558
New Orleans Jazz Museum	168,198	1,621,507	989,534	800,171
Exhibits	48,791	188,923	138,772	98,942
Educational Programming / Public Outreach	35,972	2,500	11,642	26,830
Collections, Acquisitions and Conservation	21,255	96,500	79,725	38,030
Bequests	4,113	-	(404)	4,517
Other	349,277	331,553	394,567	286,263
<b>Totals</b>	<b>\$ 2,729,532</b>	<b>\$ 2,456,615</b>	<b>\$ 1,613,836</b>	<b>\$ 3,572,311</b>

Changes in net assets with donor restrictions during the year ended June 30, 2023 were as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Balance</u> <u>June 30, 2023</u>
Museum Endowment Fund	\$ 1,988,196	\$ 128,861	\$ 15,131	\$ 2,101,926
New Orleans Jazz Museum	472,137	831,643	1,135,582	168,198
Exhibits	87,596	30,200	69,005	48,791
Educational Programming / Public Outreach	82,504	2,915	49,447	35,972
Collections, Acquisitions and Conservation	17,880	3,750	375	21,255
Bequests	9,800	-	5,687	4,113
Other	367,467	213,022	231,212	349,277
<b>Totals</b>	<b>\$ 3,025,580</b>	<b>\$ 1,210,391</b>	<b>\$ 1,506,439</b>	<b>\$ 2,729,532</b>

## **LOUISIANA MUSEUM FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **7. Concentration of Credit Risk**

The Foundation has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

#### **8. Facility Use Contributions Fund**

In accordance with the Louisiana Civil Code, donations are made to the Foundation by groups or individuals who use the Museum's facilities for special functions. The Foundation must designate these funds for use by the Louisiana State Museum for endowment, education, exhibits, acquisition, publications, conservation, and building function support purposes.

#### **9. Museum Endowment Fund**

The Museum Endowment Fund was established by the Board to accumulate \$3,000,000 for Museum support. Revenue and other support for the fund consist of contributions, investment income, and transfer of excess funds from other funds without restrictions as the Board authorizes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The Louisiana Museum Foundation Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as not expressly requiring the preservation of the purchasing power (real value) of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the following amounts as net assets with donor restrictions required to be held in perpetuity in the accompanying financial statements: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the language of UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation

## LOUISIANA MUSEUM FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### **9. Museum Endowment Fund (continued)**

1. Expenditures of investment income earned from the time or purpose restricted portion of the corpus are limited to acquisitions, conservation, exhibitions, public programs, and publications.
2. No expenditures are to be made until the time and purpose restricted portion of the fund reaches a corpus balance of \$3,000,000. Annually, thereafter, 50% of investments income may be spent; the other 50% is to be added to corpus.
3. The time and purpose restricted portion of the corpus is never to be touched except for emergencies.
4. Emergency expenditures of the time and purpose restricted portion of the corpus will require 100% approval of the members of the Louisiana Museum Foundation Board of Directors present at a board meeting with a quorum of members in attendance.

As of June 30, 2024 and 2023, there are no funds in the Museum Endowment Fund that are required to be held in perpetuity.

Investment expenses, fees, and charges related to the endowment totaled \$18,020 and \$20,175 for the years ended June 30, 2024 and 2023, respectively, and is netted with investment income in the statements of activities and changes in net assets.

Activity in the Museum Endowment Fund was as follows for the years ended June 30, 2024 and 2023:

	<b>With Donor Restrictions</b>	<b>Without Donor Restrictions</b>	<b>Total</b>
<b><u>Balance, July 1, 2022</u></b>	\$ 1,988,196	\$ 662,731	\$ 2,650,927
Contributions	15,460	5,154	20,614
Investment income, net	<u>98,270</u>	<u>32,757</u>	<u>131,027</u>
<b><u>Balance, June 30, 2023</u></b>	<b><u>\$ 2,101,926</u></b>	<b><u>\$ 700,642</u></b>	<b><u>\$ 2,802,568</u></b>
Withdrawals	-	(2,165)	(2,165)
Investment income, net	<u>215,632</u>	<u>71,878</u>	<u>287,510</u>
<b><u>Balance, June 30, 2024</u></b>	<b><u>\$ 2,317,558</u></b>	<b><u>\$ 770,355</u></b>	<b><u>\$ 3,087,913</u></b>

#### **10. Accounting for Uncertain Tax Positions**

The Foundation follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB Accounting Standards Codification. All tax returns have been appropriately filed by the Foundation. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Foundation's tax filings are subject to audit by various taxing authorities. Management evaluated the Foundation's tax position and concluded that the Foundation has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of this guidance. The Foundation's 2024 tax return has not been filed as of the report date.

#### **11. Subsequent Events**

Management has evaluated events through the date that the financial statements were available to be issued, December 20, 2024, and determined that no events occurred that require additional disclosure. No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SUPPLEMENTARY INFORMATION**

**LOUISIANA MUSEUM FOUNDATION**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER**  
**PAYMENTS TO OR ON BEHALF OF THE AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**Agency Head Name: Kristin Shannon, Executive Director**

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

The Foundation is not required to report any total compensation, reimbursements, and benefits paid to the agency head as these costs are supported by private funds.

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Louisiana Museum Foundation  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the Louisiana Museum Foundation ("the Foundation") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The Foundation's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
Metairie, Louisiana  
December 20, 2024

EISNERAMPER  
LLP



**LOUISIANA MUSEUM FOUNDATION**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2024**

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors’ report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified: no
- Significant deficiency(ies) identified that are not considered to be material weaknesses: yes

Noncompliance material to the financial statements noted: no

**Section II – Findings Related to the Financial Statements in Accordance with Government Auditing Standards**

**2024 – 001**                      **Bank Reconciliations**

Criteria:                      Adequate design and documentation of internal controls over bank reconciliations is an important aspect of internal control. Policies and procedures should be designed and implemented to provide adequate procedures to ensure bank reconciliations are being prepared accurately and reviewed timely.

Condition:                      During the audit, it was determined that the bank reconciliations were not accurate and contained errors.

Cause:                      The Foundation did not accurately prepare bank reconciliations. For one account, the Finance Director did not have visibility access to the bank account and therefore, was not able to prepare a proper reconciliation at year end.

Effect:                      Without proper controls over the bank reconciliation process, cash balances cannot properly be reconciled back to the accounting records. Adjustments to cash were required due to immaterial unreconcilable differences as of June 30, 2024.

Recommendation:                      The Foundation should establish procedures that require monthly bank reconciliations to be prepared accurately by one individual and then reviewed by a different individual on a timely basis.

Repeat Finding:                      Yes.

**LOUISIANA MUSEUM FOUNDATION**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)**

**YEAR ENDED JUNE 30, 2024**

**Section II – Findings Related to the Financial Statements in Accordance with Government Auditing Standards (continued)**

**2024 – 001**

**Bank Reconciliations (continued)**

Management  
Response:

During the 2023-2024 fiscal year, the Louisiana Museum Foundation performed regular bank reconciliations on all checking accounts. The immaterial differences identified in these reconciliations were primarily due to discrepancies in opening balances; the net difference of all transactions across checking and transaction accounts was under \$700, marking a significant improvement from the prior fiscal year.

The majority of the differences noted in the finding stemmed from two money market accounts that had no activity during the fiscal year; the only balance changes in the fiscal year stemmed from accrued interest from the depository institutions. While we appreciate the importance of reconciling all bank accounts, we believe we correctly prioritized the highly trafficked checking accounts, and will look to ensure all remaining accounts receive regular reconciliations in the current fiscal year.

We recognize the importance of comprehensive and timely bank reconciliations across all accounts and will implement rigorous reconciliation procedures for the money market accounts going forward. In addition to the quarterly reconciliations for the first half of the current fiscal year, the Foundation will implement monthly reconciliations across all accounts including money market accounts for the second half of the current fiscal year and moving forward. The Foundation will also continue to retain the services of a freelance CPA to help with reconciliations and internal controls. The Foundation remains committed to ongoing process improvements and enhanced internal controls, as demonstrated by the substantial progress made during the 2023-2024 fiscal year.

**LOUISIANA MUSEUM FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2024**

**Section II – Findings Related to the Financial Statements in Accordance with Government Auditing Standards**

**2023 – 001**

**Bank Reconciliations**

Criteria: Adequate design and documentation of internal controls over bank reconciliations is an important aspect of internal control. Policies and procedures should be designed and implemented to provide adequate procedures to ensure bank reconciliations are being prepared and reviewed timely.

Recommendation: The Foundation should establish procedures that require monthly bank reconciliations to be prepared by one individual and then reviewed by a different individual on a timely basis.

Status: Not resolved. See repeat finding 2024-001.

**2023 – 002**

**Net Assets**

Criteria: Adequate design and documentation of internal controls over net assets is an important aspect of internal control. Policies and procedures should be designed and implemented to provide adequate procedures to reconcile net assets and maintain appropriate supporting documentation for transactions.

Recommendation: Given the recent turnover of key accounting personnel and conversion to a new accounting system, the Foundation should conduct a process review of its current accounting and financial reporting processes. Accounting policies and procedures should be defined, enhanced, and adopted by the Foundation. The Foundation should then consider the resources needed in its accounting function to be able to improve properly maintaining its general ledger transactions, financial reporting, maintenance of adequate documentation, and related internal control over financial reporting. These actions are to ensure that all transactions affecting net asset balances are both recorded in accordance with U.S. GAAP, and appropriate documentation is maintained in the Foundation's accounting records.

Status: Resolved.

**LOUISIANA MUSEUM FOUNDATION**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2024**

**Section II – Findings Related to the Financial Statements in Accordance with Government Auditing Standards (continued)**

**2023 – 003**                      **Other Accounting Matters – Internal Control Over Financial Reporting**

Criteria:                      The Foundation should have systems of internal accounting control which ensures the trial balance and financial statements are presented in accordance with U.S. GAAP on a timely basis.

Recommendation:        Given the recent turnover of key accounting personnel and conversion to a new accounting system, the Foundation should conduct a process review of its accounting and financial reporting processes. Accounting policies and procedures should be defined and adopted by the Foundation. The Foundation should develop and implement policies and procedures, and related internal controls over account reconciliations and preparation of a trial balance and financial statements to ensure that accounts are reconciled timely and prepared in accordance with U.S. GAAP. Accounts should be reconciled quarterly at a minimum to ensure all transactions have been recorded and properly presented in accordance with U.S. GAAP. The Foundation should also consider accounting resources necessary to be able to implement its accounting process and ensure timely and accurate reporting.

Status:                      Resolved.

**2023 – 004**                      **Internal Controls over Payroll**

Criteria:                      Policies and procedures should exist to verify the validity of requests prior to updating banking information received for employees. The steps should include multi step verification that the request is legitimate and authorized by appropriate individuals.

Recommendation:        The Foundation should utilize procedures that require reviewal and approval by multiple parties of any changes to payroll information for any employee. We further recommend the Foundation assess any other potential vulnerabilities that could occur online or via electronic communications.

Status:                      Resolved.

**2023 – 005**                      **Timely Submission of Audit Report**

Criteria:                      Under Louisiana statue (LA R.S. 24:513), the Foundation is required to have an annual audit of its financial statements prepared in accordance with U.S. GAAP and to complete the audit and file it with the Louisiana Legislative Auditor (LLA) within six months after year-end.

Recommendation:        The Foundation should implement policies and procedures to ensure that the audit report is submitted to the LLA by the regulated deadline.

Status:                      Resolved.